

Integrated Performance Committee

Item 7.1.1.2

minutes

Date of Meeting: Wednesday 21st January 2015
Time: 3.00 – 5.15 pm
Venue: Boardroom, Management Zone Portakabin

Present: Marion Savill/Non-Executive Director (In the Chair)
 Neil Large/Chairman
 Mark Jones/Non-Executive Director
 Tony Wilding/Chief Operating Officer
 David Jago/Chief Finance Officer
 Debbie Herring/Director of Strategy & Organisational Development

In attendance: Sandra Cudlip/Associate - Mersey Internal Audit Agency
 Lesley Heath/Executive Assistant
 Lucy Lavan/Associate Director for Corporate Affairs

Apologies for absence: None

1. Apologies for absence

None.

Marion Savill welcomed Mark Jones to his first meeting of the Integrated Performance Committee (IPC) meeting.

Sandra Cudlip was also welcomed to the meeting; she was in attendance to observe the meeting as part of a new governance committee structure review.

2. Declarations of Interest Relating to Agenda Items:

There were none to declare.

3. Minutes of the Previous Meeting held on 21st October 2014:

Noted and approved.

4. Action Log

Marion Savill proposed the action log be reviewed at the end of the meeting ensuring that all relevant actions had been discussed and this was agreed.

5. Finance:

Month 9 Finance Report

David Jago presented the month 9 Finance Report highlighting the salient points in relation to the financial targets, risks and ensuring the data provided was the appropriate level and quality required by the IPC.

The Committee noted that page three set out the traffic light system of the Trust's overall performance and its key issues for month 9. Private patient income continued to perform strongly being £194k (86%) above plan in achieving £420k against a plan of £226k. Activity in this area stood 26% higher at the end of December 2014 than in the first nine months of the last financial year and was cumulatively £0.5m above plan (25%).

Cash balances were £2.1m below plan at £9.4m with an increase in balances in month of £0.4m. It was noted cash balances at year end would be brought close to planned year end level (£8.7m) at circa £8.2M.

The Trust continued to focus on its level of over performance ensuring delivery of its cash payment against this.

Neil Large enquired to risk in respect of commissioner payment and was assured given that contracts had been agreed and signed on a full payment by result basis there was no risk.

Capital expenditure stood at £1.4m which was £1.3m behind the revised plan that was submitted to Monitor at the end of quarter 2 for December 2014. The committee's attention was brought to the forecast outturn at £4.8m which would ensure additional risk triggers would not be met. In response to a question from Marion Savill, David Jago confirmed that detailed plans and contingencies were in place to ensure that the high level of forecast expenditure in Q4 would be achieved.

CIPs stood at £3.4m (with £0.3m non-recurrent) against a plan of £4.2m with the main issues being sighted to the IPC. In response to a question from Neil Large, David Jago confirmed that the latest forecast outturn for CIPs was a 'worst case scenario'. The CIP shortfall was being offset by over performance in income and hence the Trust remained on course to deliver its financial plan for 2014/15. It was noted that next year's CIP took into account the under delivery of this year and this would be addressed next year against the full year effect in relation to the change in NICE Guidance delivering margins to partially offset this risk in conjunction with revision to expenditure assumption. There was a reasonable level of confidence within the Trust that activity would continue through to the end of the year while recognising the challenges in capacity and delivering a sustainable service.

Pay slippage was identified and it was asked if any lessons had been learned from this. The IPC were informed of the challenges around consultant job planning and the current review, anomalies in relation to

Agenda for Change and on-call rate issues, the impact of additional sessions and out of hour rates and costs in relation to the admin and clerical departmental reviews. Workforce and capacity planning was being continuously reviewed but it was felt that better intelligence was required as this was difficult to predict. It was explained how the Trust was planning activity by way of an NHS England Toolkit that was based on referral to treatment targets and capacity planning and how information by service line would provide graphs on activity and capacity which would help to support more robust planning to inform the 2015/16 operational plan. Committee members requested that information on capacity planning should be brought to future meetings to support the forward looking statements on financial performance and governance.

DJ/TW

It was also noted that the Board of Directors (BoD) were fully aware of the pay challenges and efficiency required of £12m over the next five years.

The analysis of debtors 90 days past the due date was also considered. The IPC was informed that a settlement would be reached with BUPA and AXA in respect of private patient invoices by the end of the financial year. The IPC attention was brought to the end of bad debt provision set aside in the plan at £0.25m.

The IPC noted the overall financial and forecast outturn at £0.4M normalised agreed that the report provided assurance that the Trust was on course to deliver the 2014/15 financial plan.

The remainder of the report was noted.

SLR Reporting to Month 8 Update

The report presented by David Jago followed on from discussions at the previous meeting. The IPC noted the consistency of performance from the Cardiology & Chest Medicine Division and the significant improved margin on pacing.

Cardiac surgery loss making performance was noted with the Trust continuing to drive on efficiency to reduce the loss making elements whilst maintaining quality of service and patient safety.

The IPC noted the work being done in relation to HRG4 and the publication from the Health and Social Care Information Centre (HSCIC) that reviewed the current HRG design for Aortic surgery specifically following the work undertaken between LHCH and the Royal Brompton. This would continue to be pursued for 2016/17 tariff setting as well as cardiac surgery and cardiology interventions in general.

Discussions took place in relation to the differences within specialties and the understanding of the differences e.g. consumables, variation and complexity of cases and the relative productivity of the consultant workforce. The IPC were assured that this level of detail was considered and was evidence based and £600k efficiency delivered out of the £1m 2013/14 standardisation CIP work stream through this process which provided assurance to the IPC that the information was available and also

provided an opportunity to analyse clinical performance to drive change.

The materiality and quality score (MAQ) of gold on costing was noted and how the Trust lobbied NHS England to use our cost data to inform the national tariff going forward.

The remainder of the report was noted.

Private Patient Update

Tony Wilding provided an update on progress against private patient performance in 2014/15 and opportunities for future development of the service following the risk identified through the Board Assurance Framework. The document outlined the work to date, opportunities and the production of a Private Patient Strategy that would provide a framework for future development including the option for a dedicated unit, the creation of an internal and external marketing campaign to create our own brand and re-invest into NHS care, options for overseas private patients services and how the Trust could expand its current service to a wider market.

The IPC noted the progress which mitigated the risk in the current financial year and the opportunities for further growth in future years. It was agreed that private patient work would need to be factored into the capacity planning information brought to future meetings of the committee.

TW

Planning for 2015/16

David Jago presented the Planning for 2015/16 document which reported the key lessons learnt from the 2014/15 CIP planning round and the historic strong performance in delivering its cost improvement targets

The identification of cost improvements continued to be a challenge but there was potential to generate income through driving margins and exploring other opportunities to particularly mitigate CIP challenge. A key element was the adoption of the Programme Management Office (PMO) which was fundamental as efficiencies became more difficult whilst maintaining patient safety and having realistic deliverable targets.

It was agreed that the IPC work plan for 2015/16 would incorporate regular CIP updates.

DJ

The remainder of the report was noted.

6. PMO Progress Update

Debbie Herring presented the PMO progress update which summarised progress on the development of the Transformation Programme and the PMO function that would support its delivery and the resources required.

An interim Programme Lead was in place to set up the infrastructure of the PMO and a lead had now been appointed with a further two administration support roles identified. Operational Board had signed off the plan and approach with 22 schemes being identified.

A programme dashboard was tabled which set out the schemes and their current status by way of a red, amber, green (RAG) rating against the delivery of the scheme. For the purpose of future meetings it was agreed this would be condensed to report schemes that had financial implications or primarily focused on CIPs e.g. productivity schemes, which underpin the financial strategy allowing other operational committees to focus on their areas of expertise relating to that particularly committee i.e. quality and safety to the Quality & Patient and Family Experience Committee.

DH

Marion Savill and David Jago agreed to review the 2015/16 work plan and incorporate PMO projects as agreed above.

MS/DJ

The remainder of the report was noted.

7. Performance:

Month 9 Dashboard Presentation:

Tony Wilding presented the month 9 summary of performance against the Monitor Risk Assessment Framework which stood at green for 2014/15. The IPC noted the exception reports which highlighted the key points with regards to referral treatment times at specialty and aggregate levels, cancer targets, cancelled operations, bed occupancy, day case rates and referrals.

Neil Large referred to a miscalculation against non-elective spells on pages 7 and 8 of the report and this would be addressed with the Information team and corrected accordingly and the outcome reported.

TW

A graph was tabled highlighting up to date information to support debate which demonstrated the increase in urgent referrals for cardiac surgery during September and October.

The IPC noted the measures taken over the Christmas period outside of the normal protocol and the loss of one Consultant Surgeon through illness over what is expected to be a 2 month period and how the Trust was looking to backfill activity over this period. Operations had been cancelled on the 29th January 2015 due to the strike action (with Audit days being re-arranged for the day ensuring activity loss would be kept to a minimum). The combination of increased non-elective activity, the sickness absence noted above and the planned strike action meant that there was a heightened risk to delivery of the 18 week referral target in Q4, although at present it was still forecast to be achieved.

A clinical protocol had been introduced around cancelled operations and this would be circulated for information outside of the meeting. The IPC also requested information be circulated on all cancelled operations either prior to or on the day of surgery from April 2014 and review and trends that have been identified. An exception report and briefing paper would also be required for the next meeting.

TW

TW

The IPC discussed the Welsh contract and how Commissioners had confirmed in writing that they did not want patients treated before 26 weeks

unless clinically necessary and urgent. The Trust would continue to treat patients on the basis of priority and urgency and manage patients around their needs.

The remainder of the report was noted.

Quarter 3 Monitor Return:

David Jago presented the Quarter 3 Monitor Return prior to its submission to Monitor on the 31st January 2015 following its presentation to the Board of Directors on the 27th January 2015.

It was anticipated that the Trust would continue to maintain a Continuity of Service Risk Rating at a minimum level of 3 and that plans were in place to comply with all known financial targets going forward. Noting the assumptions and key issues, it was confirmed that the IPC would recommend to the Board that the Trust would deliver as a minimum a level 3 CoSSR for the next 12 months.

DJ

On governance, the committee confirmed that it was assured that the Trust had complied with its governance targets noting that the breaches in Q3 had been agreed with Monitor to catch up on backlog. The potential risk to the 18 week target in Q4 would be highlighted to the Board prior to submission of the Monitor return.

DJ

7. Capital

Estates Strategy:

Tony Wilding presented the Estates Strategy which provided an updated on progress and the capital planning approach over the next five years.

The report highlighted a number of schemes and their progress. Further updates would be provided during the delivery of the plan when changes to the plan were required. The IPC were informed that the Operational Board and Executive Group reviewed and signed off the schemes which were monitored monthly by the Capital Control Group.

The meeting discussed the bedside monitoring system which would replace all critical care and theatre monitoring systems. The implementation was critical for patient safety.

It was noted that some expenditure had moved into the 2016/17 due to slippage on schemes but the IPC were informed that the investment plan would be aligned to this. It was acknowledged that the role of the committee was to challenge the alignment of the schemes to the Trust's strategic and operational objectives, and ensure value for money was achieved and that schemes were being delivered retrospectively.

As part of the 2015/16 planning process finance, capital and clinical plans would be brought to the BoD for approval prior to submission to Monitor.

DJ

The remainder of the report was noted.

8. Compliance and Regulation

Risk Management & Corporate Governance Report:

The IPC considered the reporting process around Risk Management and Corporate Governance Committee and the approval of its Terms of Reference following the recent governance review. It was therefore agreed that this item be postponed and returned to this Committee once the correct reporting process had been identified.

LL

Operational Board Minutes:

The IPC also considered if the minutes from the Operational Board being presented to this committee added value as they were ultimately presented to the BoD meeting. This would be considered outside of the meeting.

LL

As a member of the Operational Board, David Jago agreed to take the lead to ensure assurance committees were sighted on items of exception.

DJ

Lucy Lavan left the meeting.

Review of Integrated Performance Committee Terms of Reference:

The IPC were asked to consider whether current Terms of Reference were appropriate and the extent to which they were being fulfilled. It was agreed that there was potential to develop the forward looking aspects and evidence to support these, and to consider how to gain appropriate assurances regarding data quality. The Chair of the IPC would meet with David Jago and Lucy Lavan once MIAA have completed their report to review any changes necessary either to the ToR or the way they are implemented, prior to any amendments being made with approval and ratification by the BoD.

MS/DJ/LL

9. Workforce Metrics

Debbie Herring presented the Month 9 Workforce Metric report following a request for evidence of a more detailed workforce dashboard that provided comparative sickness absence levels across the Trust, together with recruitment performance and bank expenditure and agency. The report also incorporated a quarterly report for external payroll and occupational health key performance indicators based on their service level agreement. The new HR learning/development structure that had been signed off by the Executive Group would provide more support to divisions with help and advice on workforce key issues.

The IPC expressed their appreciation for the level of information provided which gave assurance that operational managers were equipped with appropriately detailed data on performance in their area. The remainder of the report was noted.

Action Log:

Item 1: To provide details of lessons learned, planned improvements in respect of productivity planning for 2015/16. Item 5.5 of the main agenda referred therefore the item had been discharged and would be removed from the action log.

Item 2: Progress update on PMO. Item 8.2 of the main agenda referred therefore the item had been discharged and would be removed from the action log.

Item 3: Drivers to increase in thoracic activity to be circulated to committee members. Tony Wilding was working with Mike Shackcloth as consultant lead. Additional outreach clinics had been identified. The action had therefore been discharged and would be removed from the action log.

Item 4: To be reported March 2015.

Item 5: Equipment failure risk assessment: Tony Wilding explained the process of the decontamination for scopes and the three individual elements during three different parts of the process that had caused the failure. It was noted that there were no common causes. the item had been discharged and would be removed from the action log.

Item 6: Five year capital plan progress report: Item 7.1 of the main agenda referred therefore the item had been discharged and would be removed from the action log.

Items 7, 8 and 9 of the action log had all been reported through the workforce section of the agenda, items 8.1 and 8.2 refer.

10. Date and Time of Next Meeting:

Tuesday 24th March 2015 at 10am in the Boardroom, Management Zone Portakabin.

ALL